GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2132
ANSWERED ON:05.03.2003
RESTRICTIONS ON SUPPLIERS
SUDARSANA E.M. NATCHIAPPAN

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government propose to impose restrictions to overseas suppliers in regard to assembling and manufacture of handsets in India;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) the details about the export of Telecom equipment during the last three years;

(e) whether a private company had ordered five million handsets from a Korean manufacture; and

(f) if so, the details thereof indicating the problems the Indian manufacturers are facing to produce handsets locally ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI S MAHAJAN)

(a) to (c): No, Sir. Telecom equipment manufacturing sector, including assembly of handsets has been delicensed and therefore, there is no restriction on the manufacture of such items. In the case of overseas suppliers, investment in this area is governed by the foreign direct investment (FDI) policy of the government. 100% FDI is allowed in the telecom equipment manufacturing sector under automatic route.

(d) The details of export of telecom equipment during the last three years are as under:-

(Rupees in Crores)

	99-2000	2000-01	2001-2002
Exports	180	450	150

(e) The information is not centrally maintained.

(f) The government has already given a number of incentives to encourage manufacture of handsets locally which include import of parts, components and accessories of mobile hand sets including cellular phones at zero custom duty. As this is a delicensed sector, market forces and economy of scale will decide local manufacture of hand sets.